

State of South Dakota

EIGHTY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2006

905M0208

SENATE BILL NO. 8

Introduced by: The Committee on Retirement Laws at the request of the South Dakota Retirement System

1 FOR AN ACT ENTITLED, An Act to establish to whom the South Dakota Retirement System
2 may make benefit payments on behalf of minors.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 3-12 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Any payment of any benefit to a minor pursuant to the provisions of this chapter shall be
7 made on the minor's behalf to a custodian or conservator appointed by law. No legal guardian
8 may be deemed a custodian or conservator except by a separate appointment.

9 Section 2. That § 3-12-95 be amended to read as follows:

10 3-12-95. On the death of a contributing member after July 1, 1974, and prior to the earlier
11 of the member attaining normal retirement age or the member's retirement, who has one or more
12 years of contributory service; or if there has been a break in the member's employment of more
13 than one year, one-half year of contributory service having been performed after the end of the
14 last such break; or if the member was receiving a disability allowance which commenced after
15 July 1, 1974, the following benefits shall be paid:



(1) A surviving spouse having the care of children shall receive an annual amount, payable in monthly installments, equal to forty percent of the member's final average compensation, plus ten percent of such final average compensation for each child to a maximum of six such children;

(2) The conservator or custodian of each child, on whose account there is no benefit payable under subdivision (1), shall receive on behalf of each child, to a maximum of five such children, an annual amount, payable in monthly installments, equal to twenty percent of the member's final average compensation;

(3) If the sum of benefits payable under subdivisions (1) and (2) exceeds one hundred percent of the member's final average compensation, the benefits payable under both subdivisions (1) and (2) shall be proportionally reduced so that the total of the benefits is equal to one hundred percent of the member's final average compensation;

(4) If there are no benefits being paid under subdivision (1) and the member's accumulated contributions have not been withdrawn pursuant to § 3-12-97, the spouse who has reached age sixty-five shall receive a monthly payment equal to sixty percent of the amount which would have been payable to the deceased member at normal retirement age based on the member's credited and projected service and projected compensation. The benefit payable under this subdivision shall be increased by application of the improvement factor for time which elapses between the date the member would have reached normal retirement age and the date benefits commence to the spouse.

Family benefits begin to accrue on the first day of the month following the death of the member.